



To

Registrar,  
Punjab State Electricity Regulatory Commission,  
Chandigarh.

Memo. No. 5901 TR-5/982 Dated 6/10/2020

Petition under section 86 (1) (b) and (e) of the Electricity Act, 2003 read with Punjab State Electricity Regulatory Commission (Power Purchase and Procurement Process of licensees) Regulations, 2012; Regulation 46 of the Punjab State Electricity Regulatory Commission (conduct of business) Regulations, 2005; and Punjab State Electricity Regulatory Commission (Renewable purchase obligation and its compliance) Regulations, 2011 and other applicable Regulations.

of the subject cited

**BEFORE THE PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
CHANDIGARH**

PETITION NO.            OF 2020

**IN THE MATTER OF:**

Approval of the Draft Power Purchase Agreements (PPAs), Tariff, Terms and Conditions and Procurement Process of Punjab State Power Corporation Limited related to the procurement of solar power under the Farmer Solar Power Scheme 2015 by Punjab Energy Development Agency.

**AND**

**IN THE MATTER OF:**

Punjab State Power Corporation Limited,  
The Mall, Patiala, Punjab

-            Petitioner

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**IN THE MATTER OF:**

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The Mall, Patiala, Punjab

- Petitioner

**PETITION UNDER SECTION 86 (1) (b) AND (e) OF THE ELECTRICITY ACT, 2003 READ WITH PUNJAB STATE ELECTRICITY REGULATORY COMMISSION (POWER PURCHASE AND PROCUREMENT PROCESS OF LICENSEES) REGULATIONS, 2012; REGULATION 46 OF THE PUNJAB STATE ELECTRICITY REGULATORY COMMISSION (CONDUCT OF BUSINESS) REGULATIONS, 2005; AND PUNJAB STATE ELECTRICITY REGULATORY COMMISSION (RENEWABLE PURCHASE OBLIGATION AND ITS COMPLIANCE) REGULATIONS, 2011 AND OTHER APPLICABLE REGULATIONS**

**MOST RESPECTFULLY SHOWETH:**

1. The Petitioner, Punjab State Power Corporation Limited (hereinafter referred to as 'PSPCL') is filing the present Petition under Section 86(1)(b) of the Electricity Act, 2003 along with the relevant and applicable Regulations, for approval of the power procurement to be undertaken by PSPCL under the Farmer Solar Power Scheme-2015 being implemented by Punjab Energy Development Agency (hereinafter referred to as 'PEDA'), along with the tariff and terms and conditions therein.



2. PSPCL is undertaking the generation and distribution of electricity in the State of Punjab and is a distribution licensee under the provisions of the Electricity Act, 2003.
3. PSPCL has been procuring power from various sources (apart from generation of electricity by PSPCL itself at its generating station) to meet the power supply requirements for maintaining the distribution and retail supply of electricity in the State of Punjab.
4. Prior to the reorganization and vesting of the distribution and retail supply functions in PSPCL, the erstwhile Punjab State Electricity Board (herein after referred to as 'PSEB') was undertaking the procurement of power from third parties besides generation of electricity by PSEB's generating stations.
5. The present Petition is being filed under Section 86 (1) (b) and (e) of the Electricity Act, 2003 for the approval of the power procurement and the draft of the PPA to be entered into by PSPCL under the Farmer Solar Scheme-2015 at a tariff of Rs. 3.20/kWh. In terms of Section 86(1)(b) of the Act read with the Applicable Provisions, this Hon'ble Commission has the jurisdiction to regulate the electricity purchase and procurement process of the distribution licensees in the State under the PPA/Agreements entered into by the distribution licensees.
6. In the case of co-generation and renewable sources of energy, the provisions of section 86 (1) (b) of the Electricity Act, 2003 is required to be read with the provisions of Section 86 (1) (e) and also Section 61 (h), the National Electricity Policy, the National Tariff Policy notified by the Central Government under Section 3 of the Electricity Act, 2003 and the preamble of the Act. Section 86 (1) of the Electricity Act, 2003 provides as under:



(i) Section 86. (Functions of State Commission)

(1) *The State Commission shall discharge the following functions, namely: -*

.....

(b) *regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;*

.....

(e) *promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;*

(ii) Section 86 (4) reads as under:

(4) *In discharge of its functions, the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under section 3.*

(iii) Section 61 (h) reads as under:

**Section 61. (Tariff regulations):**

*The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-*

.....

(h) *the promotion of co-generation and generation of electricity from renewable sources of energy;*

(iv) The Preamble to the Electricity Act provides as under:

*“An Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, **promotion of efficient and environmentally benign policies**, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.”*

7. In the premise, insofar as the renewable energy sources are concerned, the object and directive under the Act is to promote the same including by providing preferential tariff for purchase of power by the obligated entities. The distribution licensees, namely, the PSPCL in the State of Punjab is an obligated entity under Section 86 (1) (e) to procure power from the renewable energy sources.

8. The National Electricity Policy and the National Tariff Policy have been notified by the Central Government in exercise of the statutory powers under Section 3 of the Electricity Act, 2003:

(i) The National Electricity policy notified on 12.02.2005 provides as under:

**“1.0 INTRODUCTION**

*1.1 In compliance with section 3 of the Electricity Act 2003 the Central Government hereby notifies the National Electricity Policy.*

.....

*1.7 Section 3 (1) of the Electricity Act 2003 requires the Central Government to formulate, inter alia, the National Electricity Policy in consultation with Central Electricity Authority (CEA) and State Governments. The provision is quoted below:*



"The Central Government shall, from time to time, prepare the National Electricity Policy and tariff policy, in consultation with the State Governments and the Authority for development of the power system based on optimal utilization of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy."

.....

**5.12 COGENERATION AND NON-CONVENTIONAL ENERGY SOURCES**

5.12.1 Non-conventional sources of energy being the most environment friendly there is an urgent need to promote generation of electricity based on such sources of energy. For this purpose, efforts need to be made to reduce the capital cost of projects based on non-conventional and renewable sources of energy. Cost of energy can also be reduced by promoting competition within such projects. At the same time, adequate promotional measures would also have to be taken for development of technologies and a sustained growth of these sources.

5.12.2 The Electricity Act 2003 provides that co-generation and generation of electricity from non-conventional sources would be promoted by the SERCs by providing suitable measures for connectivity with grid and sale of electricity to any person and also by specifying, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Such percentage for purchase of power from non-conventional sources should be made applicable for the tariffs to be determined by the SERCs at the earliest. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by State Electricity Regulatory Commissions. Such purchase by distribution companies shall be through competitive bidding process. Considering the fact that it will take some time before non-conventional technologies compete, in terms of cost, with conventional sources, the Commission may determine an appropriate differential in prices to promote these technologies.

5.12.3 Industries in which both process heat and electricity are needed are well suited for cogeneration of electricity. A significant potential for cogeneration exists in the country, particularly in the sugar industry. SERCs may promote arrangements between the co-generator and the concerned

*distribution licensee for purchase of surplus power from such plants. Cogeneration system also needs to be encouraged in the overall interest of energy efficiency and also grid stability."*

- (ii) The National Tariff policy, 2006 notified on 06.01.2006 provides as under:

*"1.0 INTRODUCTION*

*1.1. In compliance with section 3 of the Electricity Act 2003 the Central Government hereby notifies the Tariff policy in continuation of the National Electricity Policy (NEP) notified on 12th February 2005.*

*.....*  
*6.4 Non-conventional sources of energy generation including Co-generation:*

*(1) Pursuant to provisions of section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage for purchase of energy from such sources taking into account availability of such resources in the region and its impact on retail tariffs. Such percentage for purchase of energy should be made applicable for the tariffs to be determined by the SERCs latest by April 1, 2006.*

*It will take some time before non-conventional technologies can compete with conventional sources in terms of cost of electricity. Therefore, procurement by distribution companies shall be done at preferential tariffs determined by the Appropriate Commission.*

*(2) Such procurement by Distribution Licensees for future requirements shall be done, as far as possible, through competitive bidding process under Section 63 of the Act within suppliers offering energy from same type of non-conventional sources. In the long-term, these technologies would need to compete with other sources in terms of full costs.*

*(3) The Central Commission should lay down guidelines within three months for pricing non-firm power, especially from non-conventional sources, to be followed in cases where such procurement is not through competitive bidding."*

- (iii) The National Tariff policy, 2016 notified on 28.01.2016 provides as under:

#### “1.0 INTRODUCTION

1.1 In compliance with section 3 of the Electricity Act 2003, the Central Government notified the Tariff Policy on 6th January, 2006. Further amendments to the Tariff Policy were notified on 31st March, 2008, 20th January, 2011 and 8th July, 2011. In exercise of powers conferred under section 3(3) of Electricity Act, 2003, the Central Government hereby notifies the revised Tariff Policy to be effective from the date of publication of this resolution in the Gazette of India.

Notwithstanding anything done or any action taken or purported to have been done or taken under the provisions of the Tariff Policy notified on 6th January, 2006 and amendments made thereunder, shall, in so far as it is not inconsistent with this Policy, be deemed to have been done or taken under provisions of this revised policy.

#### **6.4 Renewable sources of energy generation including Co-generation from renewable energy sources:**

(1) Pursuant to provisions of section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from renewable energy sources, taking into account availability of such resources and its impact on retail tariffs. Cost of purchase of renewable energy shall be taken into account while determining tariff by SERCs. Long term growth trajectory of Renewable Purchase Obligations (RPOs) will be prescribed by the Ministry of Power in consultation with MNRE.

(2) States shall endeavor to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources from projects above the notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government.

However, till such notification, any such procurement of power from renewable energy sources projects, may be done under Section 62 of the Electricity Act, 2003. While determining the tariff from such sources, the Appropriate Commission shall take into account the solar radiation and wind intensity which may differ from area to area to ensure that the benefits are passed on to the consumers.



(3) The Central Commission should lay down guidelines for pricing intermittent power, especially from renewable energy sources, where such procurement is not through competitive bidding. The tariff stipulated by CERC shall act as a ceiling for that category.

(4) In order to incentivize the Distribution Companies to procure power from renewable sources of energy, the Central Government may notify, from time to time, an appropriate bid-based tariff framework for renewable energy, allowing the tariff to be increased progressively in a back-loaded or any other manner in the public interest during the period of PPA, over the life cycle of such a generating plant. Correspondingly, the procurer of such bid-based renewable energy shall comply with the obligations for payment of tariff so determined.

(5) In order to promote renewable energy sources, any generating company proposing to establish a coal/lignite based thermal generating station after a specified date shall be required to establish such renewable energy generating capacity or procure and supply renewable energy equivalent to such capacity, as may be prescribed by the Central Government from time to time after due consultation with stakeholders. The renewable energy produced by each generator may be bundled with its thermal generation for the purpose of sale. In case an obligated entity procures this renewable power, then the SERCs will consider the obligated entity to have met the Renewable Purchase Obligation (RPO) to the extent of power bought from such renewable energy generating stations.

Provided further that in case any existing coal and lignite based thermal power generating station, with the concurrence of power procurers under the existing Power Purchase Agreements, chooses to set up additional renewable energy generating capacity, the power from such plant shall be allowed to be bundled and tariff of such renewable energy shall be allowed to be pass through by the Appropriate Commission. The Obligated Entities who finally buy such power shall account towards their renewable purchase obligations.

Provided also that scheduling and despatch of such conventional and renewable generating plants shall be done separately.

(6) In order to further encourage renewable sources of energy, no inter-State transmission charges and losses may be believed till such period as may be notified by the Central Government on transmission of the electricity generated from solar and wind sources of energy through the inter-state transmission system for sale.

(7) Appropriate Commission may provide regulatory framework to facilitate generation and sale of electricity from renewable energy sources particularly from roof-top solar system by any entity including local authority, Panchayat Institution, user institution, cooperative society, Non-Governmental Organization, franchisee or by Renewable Energy Service Company. The Appropriate Government may also provide complementary policy support for this purpose."

9. The above policies notified under the provisions of section 3 of the Electricity Act have been held by the Hon'ble Supreme Court to be of statutory nature and having the force of law (Energy Watchdog v Central Electricity Regulatory Commission (2007) 14 SCC 80 (Para 57):

**57. Both the letter dated 31-7-2013 and the revised Tariff Policy are statutory documents being issued under Section 3 of the Act and have the force of law.** This being so, it is clear that so far as the procurement of Indian coal is concerned, to the extent that the supply from Coal India and other Indian sources is cut down, the PPA read with these documents provides in Clause 13.2 that while determining the consequences of change in law, parties shall have due regard to the principle that the purpose of compensating the party affected by such change in law is to restore, through monthly tariff payments, the affected party to the economic position as if such change in law has not occurred. Further, for the operation period of the PPA, compensation for any increase/decrease in cost to the seller shall be determined and be effective from such date as decided by the Central Electricity Regulation Commission. This being the case, we are of the view that though change in Indonesian law would not qualify as a change in law under the guidelines read with the PPA, change in Indian law certainly would.

10. The Government of Punjab has also issued policies for promotion of renewable energy from time to time. These include the following:

(i) New and Renewable Sources of Energy (NRSE) Policy – 2006. The objectives of the Policy are as under:

***Objectives of the Policy:***

*Punjab has considerable potential in NRSE sector, which is yet to be harnessed. With a view to maximize the utilization of the potential of these resources, this policy is formulated to achieve the following objectives:*

- To enhance the contribution of renewable energy for socio – economic development.*
- To meet and supplement minimum rural energy needs through sustainable NRSE programmes.*
- To provide decentralized energy supply for agriculture, industry, commercial and household sector.*

***To improve the quality of grid power generation through NRSE projects.***

- To reduce and mitigate the environment pollution caused by the fossil fuels.*
- To support development, demonstration and commercialization of new and emerging technologies project in renewable energy sector such as fuel cell, hydrogen and chemical energy, alternate fuel for transportation etc. and to support establishment of linkages for collaborative and cooperative projects with national and international institutions.*
- To create conditions conducive for the involvement of private investors in NRSE projects.*
- To create public awareness through a vigorous publicity drive in the mass media.*
- To create direct and indirect employment opportunities for the youth in appropriate NRSE projects in the State.*

A copy of the NRSE Policy, 2006 is attached hereto and marked as Annexure 'A'.

(ii) New and Renewable Sources of Energy (NRSE) Policy – 2012:

***NRSE THRUST AREAS***

*2.1 NRSE are defined as Small hydro upto 25MW, Biomass including Cogeneration, Solar Photovoltaic, Solar Thermal, Urban, Municipal and*

*Industrial solid / liquid Wastes, Biomethanation, Gasification, Wind and New NRSE sources like fuel cells/Hydrogen/Biofuels etc. of any capacity. This form of energy would mitigate carbon dioxide emissions and combat climate change. Given the geographical location of the State of Punjab, and its access to various sources of energy, the State would promote investment through private/public sector participation in the following areas:*

.....

**2.5 Solar Power generation:**

*Punjab is endowed with vast potential of solar energy with over 300 days of sunshine in a year with insolation level varying between 4-7 Kw/sq.mtr. Solar Power Generation capacity is targeted at 1000 MW by 2022. With these projects located closer to the load in distribution/transmission network, distribution losses will be reduced considerably and voltage drop at peak day time load will be minimized.*

A copy of the NRSE Policy, 2012 is attached hereto and marked as Annexure 'B'.

11. It is also relevant to mention that the provisions of section 86 (1) (e) of the Electricity Act dealing with the Renewable Purchase Obligation (RPO) is to provide a minimum percentage of renewable sources of energy to be purchased. There is no prescription of maximum or ceiling percentage. The reason for the same is that the objective is to promote non-conventional power to the maximum extent i.e. maximization of the renewable powers. Therefore, it is the minimum percentage of RPO that is prescribed in the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2011, as amended from time to time. A copy of the PSERC Renewable Regulations, 2011 is attached hereto and marked as Annexure 'C'.
12. In line with the above Regulations, this Hon'ble Commission, has from time to time been taking cognizance of the RPO obligations of PSPCL and whether the same are being met. PSPCL has been duly placing the requisite details before

the Hon'ble Commission. As per the Orders dated 21.03.2017 (in Petition No. 61 of 2016) and Order dated 16.03.2018 (In Petition No. 51 of 2017), this Hon'ble Commission had allowed the shortfall in Non-Solar RPO Compliance to be carried forward for the FY 2015-16 to FY 2016-17 and for FY 2016-17 to FY 2017-18 respectively. The relevant extract from the Order dated 16.03.2018 is as under:

*As there have been some factors beyond the reasonable control of PSPCL such as delay in commissioning of the new RE projects by the developers, less generation from existing & newly commissioned RE projects and financial constraints besides other reasons brought out in the petition, the Commission allows PSPCL to carry forward the Non-Solar shortfall in RPO compliance for FY 2016-17 (including the balance of shortfall pertaining to FY 2015-16) to FY 2017-18. PSPCL is directed to ensure compliance of this carried forward shortfall alongwith RPO requirement of FY 2017-18 in the year 2017-18 failing which necessary action as per Regulations shall be initiated.*

In the circumstances, the PPAs entered into and the procurement of non - conventional power was less than the RPO percentages prescribed by the Hon'ble Commission. A copy of the Orders dated 21.03.2017 and 16.03.2018 passed by the Hon'ble Commission are attached hereto and marked as **Annexure 'D' and 'E' respectively**

13. Further, by the Order dated 21.12.2018 in Petition No. 34 of 2018, the Hon'ble Commission had imposed a penalty of Rs 1 lac on PSPCL for the shortfall in compliance and had directed PSPCL to comply with the RPO for the FY 2018-19 (both solar and non solar) along with the shortfall for the FY 2017-18. A copy of the Order dated 21.12.2018 passed by the Hon'ble Commission in Petition No. 34 of 2018 is attached hereto and marked as **Annexure 'F'**.
14. In the Tariff Order dated 27.05.2019 for the FY 2019-20, this Hon'ble Commission had levied an additional penalty of Rs 10 Lacs for the cumulative



shortfall in the RPO and directed PSPCL to comply with the net shortfall within a period of 60 days, as under:

*With regard to compliance of RPO shortfall, PSPCL vide aforementioned memo dated 27.03.2019 has informed that as per the decision of the Whole Time Directors in the meeting held on 18.02.2019, for Non-Solar RPO compliance upto FY 2018-19, the required Non-Solar RECs will be purchased in the first quarter of FY 2019-20. Accordingly, in FY 2019-20, an amount of Rs. 316.524 Crore for complying with the cumulative RPO shortfall upto FY 2019-20 has been proposed to be provided. As such, the Commission notes with regret that the Order dated 21.12.2018 in petition no. 34 of 2018 has not been complied with by PSPCL despite a token penalty of Rs. One lakh levied by the Commission and deposited by PSPCL. It was held in the Order dated 21.12.2018 that in case of non compliance of RPO by 31.03.2019, further penalty would be imposed by the Commission. As the said Order has not been complied with even though PSPCL had sufficient time to do so, the Commission is constrained to levy an additional penalty of Rs. 10 lakh which shall be deposited by PSPCL forthwith in the Commission. This amount of Rs. 11 lakh is considered not allowable in the ARR of PSPCL and accordingly Rs. 1 lakh already deposited by PSPCL is disallowed in this Tariff Order (para 3.27) and Rs. 10 lakh penalty levied now shall be disallowed in the next Tariff Order. PSPCL is directed to comply with the Net Non-Solar RPO shortfall of 848.42 MWh upto FY 2017-18 by the end of the first quarter of FY 2019-20 i.e. 30.06.2019 or within 60 days of the issue of this order, whichever is later.*

The relevant extract from the Order dated 27.05.2019 are attached hereto and marked as **Annexure 'G'**. The direction of this Hon'ble Commission was subsequently complied with by PSPCL.

15. In view of the above statutory provisions and schemes, PSPCL has been procuring power from various Non Conventional Sources of Energy.
16. In 2015, the Government of Punjab through PEDDA as the nodal agency notified the Farmer Solar Power Scheme 2015. The objective of the scheme was to promote solar energy projects by land owning farmers with a minimum

targeted under this scheme was  
Scheme 2015 is attached hereto and marked as **Annexure 'H'**.

17. PEDA also uploaded a draft Power Purchase Agreement (hereinafter referred to as 'PPA') on its website under Farmer Solar Scheme-2015 along with the other bidding documents based on the PPAs earlier signed by PSPCL in March 2015 with solar power developers under Phase II of NRSE projects (hereinafter referred to as the '**2015 Draft PPA**'). A copy of the 2015 draft PPA is attached hereto and marked as **Annexure 'I'**.

18. In March, 2016, the said scheme was withdrawn by PEDA stating such withdrawal to be on account of the reduction in RPO targets and high tariff offered by the farmers. Aggrieved by this action of PEDA, some of the farmers approached the Hon'ble High Court of Punjab and Haryana by way of a Writ Petition being CWP Nos. 5855, 7504 and 11155 of 2016, and 19440 of 2018 (O&M). On 15.10.2019, the Hon'ble High Court of Punjab and Haryana passed interim directions in the above matter, inter-alia holding as under:

*"..... the petitioners are permitted to approach the authorities concerned for further negotiation for arriving at mutually agreeable tariff. For this purpose, the parties shall assemble in the office of the Principal Secretary, Department of Renewable Energy, Punjab Civil Secretariat at 11.00 A.M. on 31.10.2019....."*

A copy of the Order dated 15.10.2019 by the Hon'ble Punjab and Haryana High Court is attached hereto and marked as **Annexure 'J'**.

19. In pursuance to the directions contained in the Order dated 15.10.2019, on 31.10.2019, a meeting was called at the office of the Principal Secretary, Department of Renewable Energy, Punjab Civil Secretariat where the



concerned stakeholders parties i.e. PSPCL, PEDDA and representatives of the farmers, were present. The parties agreed to a tariff of Rs. 3.20 / kWh as the rate at which the farmers were to supply power to PSPCL, subject to the orders by this Hon'ble Commission. The relevant extracts from the minutes of the meeting dated 31.10.2019, inter-alia provided as under:

*"The Petitioners, after negotiations finally agreed to the PSPCL offered tariff of Rs. 3.20/Kwh.*

*Accordingly, it was decided that as ordered by the Hon'ble High Court, now the parties shall approach the Punjab State Electricity Regulatory Commission (PSERC) within a period of three weeks for fixing tariff and all other ancillary matters being an expert body. The decision of the PSERC qua tariff shall be binding on all the parties."*

A copy of the Minutes of the Meeting held on 31.10.2019, is attached hereto and marked as **Annexure 'K'**.

20. As provided in the NRSE Policy-2012 and subsequent amendment, the Farmer Solar Scheme was introduced for allocation of Solar Power Projects to the land owning farmers of the state of Punjab for sale of power to PSPCL at the applicable generic tariff determined by this Hon'ble Commission. With Solar Power Projects located closer to the agriculture loads in distribution network, the transmission/distribution losses will be reduced and the voltage drop at peak day time load will be reduced. The tariff of Rs. 3.20 per kWh, which was negotiated on 31.10.2019 at the office of the Principal Secretary, Department of Renewable Energy, had been arrived at as per prevailing market conditions at that time and by considering the benefits achieved from addition of distributed solar power at tail end of the distribution system i.e.11 KV as described above. The Solar Power shall also be used for compliance of Solar RPO. The details of RPO projection status w.e.f. FY 2018-19 to FY 2022-23 is attached herewith and marked as **Annexure L**.

21. On 25.11.2019, the Hon'ble High Court of Punjab and Haryana, pronounced its final judgement in CWP Nos. 5855 of 2016 and connected matters. The Order dated 25.11.2019, inter-alia provided as under:

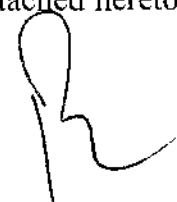
*".....the first step would be to enter into implementation agreement with PEDDA by the farmers. Second step would be to enter into power purchase agreement with the PSPCL. These two steps be taken within a period of 4 weeks from today. Thereafter the matter shall be placed before the Punjab State Electricity Regulatory Commission for ratification of the tariff, mutually agreed between the parties....."*

A copy of the Order dated 25.11.2019 by the Punjab and Haryana High Court in CWP-5855 of 2016 and connected matters is attached hereto and marked as **Annexure 'M'**.


22. Thereafter, the Petitioner-Farmers before the Hon'ble High Court, filed a Civil Miscellaneous (CM) application being No. 19126-2019 in CWP-5855 of 2016 and connected matters. Vide the said Application the Petitioners therein prayed for the Hon'ble High Court to grant 18 months for commissioning of the projects instead of 10 months in line with Ministry of New and Renewable Energy, Government of India Notification dated 03.01.2019. The Hon'ble High Court had issued final order on dated 10.01.2020 in CM no. 19126-2019, inter-alia holding as under:

*"....We cannot take cognizance of notification dated 3.1.2019 for the simple reason that it was not placed on record by the time the judgment was pronounced on 25.11.2019. However, in the interest of justice, period for completing first step is enlarged by 6 weeks from today...."*

A copy of the Order dated 10.01.2020 by the Punjab and Haryana High Court in CM no. 19126-2019 in CWP-5855 of 2016 is attached hereto and marked as **Annexure 'N'**.




23. In pursuance to the above Orders, on 13.02.2020, PEDDA issued Letter of Award (hereinafter referred to as 'LoA') to the allottee farmers and sent the draft Implementation Agreement (hereinafter referred to as 'IA') to be signed between PEDDA and allottee farmers for setting up Solar Plants under Farmer Solar Scheme-2015 on 22.01.2020 to PSPCL.
24. Given the present circumstances, the 2015 Draft PPA (Annexure I, herein) has to be modified and updated. The Draft PPA to be signed now with the allottee(s)/SPVs has been prepared after incorporating the changes in the earlier PPA. The list of changes to the 2015 draft PPA are attached hereto and marked as Annexure 'O'.
25. Vide letter dated 28.07.2020, PEDDA confirmed that extension fee shall be shared in 50:50 ratio between PEDDA and PSPCL but informed that the clause related with sharing of extension fee cannot be incorporated into the Implementation Agreement owing to the paucity of time for signing of Implementation Agreements with developers and also submitted the revised final draft Implementation Agreement. A copy of PEDDA's letter dated 28.07.2020 is attached as Annexure-'P'. PEDDA vide letter nos. 4216 dated 17.08.2020 and 4574 dated 07.09.2020 has forwarded copies of 61 Implementation Agreements signed for 76 no. allottee(s) with cumulative capacity of 141 MW to PSPCL. Copy of one of the signed Implementation Agreement along with list of farmers who have signed IA with PEDDA are attached as Annexure-'Q' and Annexure-'R' respectively.
26. In line with the above, a draft of the PPA was prepared after incorporating changes in line with the above developments and further, for signing with Allottee(s)/ SPVs selected by PEDDA under Farmer Solar Scheme-2015. A copy



of the draft of the PPA prepared for signing with the Allottee(s)/ SPVs selected by PEDDA is attached hereto and marked as Annexure 'S'.

27. The scheduled commissioning date for commencement of supply of electricity is intended to be April, 2022.
28. The present Petition is being filed with respect to approval of the said draft PPA, the tariff and the terms and conditions contained therein. Upon approval of the scheme by this Hon'ble Commission, PSPCL shall sign PPAs with the allottee(s)/SPVs
29. PSPCL has paid the requisite fees of Rs. 7,05,000/- in terms of the PSERC Fee Regulations (Second Amendment), 2011, namely on a per MW basis.
30. In the facts and circumstances mentioned above, it is respectfully prayed that this Hon'ble Commission may be pleased to:
- (a) Declare that the draft of PPA at Annexure S and procurement of solar power with a cumulative contracted capacity of 141 MW stands approved in the facts and circumstances mentioned hereinabove on the tariff, terms and conditions contained in the respective PPAs; and
  - (b) Pass such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.

  
SE/TR-2,  
for CE/ARR&TR, PSPCL,  
Patiala.